

# The Political Economy of Regionalism

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WHEN the older school of American historians had to record the actions of contiguous groups of states that united to protect their common interests, they called the phenomenon *sectionalism* and stigmatized it as anti-national. The younger historians — and with them sociologists, political scientists, economists, and even men of letters — encountering the same phenomenon, name it *regionalism* and hail it with geniality or at least with resignation. To them it is not an anti-national force but the condition itself of nationalism in a country as large and as notably diverse in its geographic divisions as our country is. Seemingly they grant that the nation has already fulfilled a prophecy made nearly twenty years ago by F. J. Turner. If the reader will substitute the more fashionable word *region* for the word *section* in the passage which follows, he will have a description of the sort of nation that students of regionalism now believe the United States to be. Turner said:

. . . As the nation reaches a more stable equilibrium, a more settled state of society, with denser populations pressing upon the means of existence, with this population no longer migratory, the influence of the diverse physiographic provinces which make up the nation will become more marked. They will exercise sectionalizing influences, tending to mould society to their separate conditions, in spite of all the countervailing tendencies

toward national uniformity. National action will be forced to recognize and adjust itself to these conflicting sectional interests. The more the nation is organized on the principle of direct majority rule, and consolidation, the more sectional resistance is likely to manifest itself. Statesmen in the future, as in the past, will achieve their leadership by voicing the interests and ideas of the sections which have shaped these leaders, and they will exert their influence nationally by making combinations between sections and by accommodating their policy to the needs of such alliances. Congressional legislation will be shaped by compromises and combinations, which will in effect be treaties between rival sections, and the real federal aspect of our government will lie, not in the relation of state and nation, but in the relation of section and nation.

The aptness of Turner's prophecy can now be seen by all but the dumbest observers. The "diverse physiographic provinces", with their separate regional cultures, can be mapped with some definiteness. In rough outline, with sub-regions granted as also having their importance, they are: the Northeast, the South or Southeast, the Middle West, the Southwest, the Far West. Population has grown denser; it presses upon the means of production if not upon the means of existence. Economic specialization has encouraged marked regional interests: there is a financial-industrial Northeast, a cotton-tobacco-and-small-farm Southeast, a wheat-and-corn Middle West, an oil-and-cotton Southwest, a fruit-truck-and-lumber Far West. The newer regions in their maturity have developed a regional self-consciousness as marked as in the older regions. Regional interests clash and are represented by warring statesmen: a Long, a Nye, a

La Guardia, a Norris, a Walsh. Above all, the policy of economic nationalism developed under the Roosevelt administration — and likely to be continued, if students of affairs argue correctly, under succeeding administrations — represents a determined effort to secure the “stable equilibrium” which Turner foretold. It is being achieved by a pressure of regional “combinations” (South and West) against a resisting and greatly apprehensive Northeast.

Only the last clause of Turner’s prophecy remains unfulfilled, partly, it may be, because it touches a problem not only unsolved, but not understood, not even dimly visualized in some high quarters. There is no general readiness of our statesmen to acknowledge that the true Federalism consists in the relation of region (or “section”) and nation. We still insist upon the letter of the Constitution and hold that Federalism lies in the relation of state and nation. Nothing, indeed, in Turner’s remark could be taken as an advocacy of change. As historian he was concerned only to say what the real Federal relation seemed to be. To grasp this reality by some political instrumentation which would replace the fiction of the older Federalism was not his task. Possibly he meant to leave only the implication that, if no change should be made, the regional jockeying and compromising would go on indefinitely behind the Federal screen.

To solve the problem of the new Federalism must be the task of this generation. If we decline to face the problem, some Turner of the future, arriving at the story of the nineteen-thirties, will pause in his lecture and say with emphasis: *At this point regional*

*differences passed beyond the possibility of adjustment under the Federal system, and here, therefore, began the dismemberment of the United States, long since foreshadowed in the struggle of the eighteen-sixties. But he might state a different result, now before us as a possibility: At this point the ordinary processess of Federal government failed to serve the national purposes. A dictatorship ensued.*

In order to see what the problem is, it is necessary to recognize first of all that regional differentiations are social and economic fact, and not poetic fiction. I cannot here elaborate the proof of this statement, but it is available. The skeptic who refuses the testimony of history, of sociological and economic findings, of studies in folk-lore or physiography, will do well to turn traveller and receive the testimony of eye and ear. Or let him reflect upon the arrangement of a *Literary Digest* poll by regions or listen to the campaign talk of those who will tell how the West or the East will vote. The differentiations are the result of the occupation of a continental area by a vigorous people, habituated to a high degree of independence and self-determination, and shaped by diverse racial, social, political, and environmental influences. The history of the American establishment implies, if it does not enforce, diversity rather than uniformity. We can take little pride in the American tradition unless we concede that it tolerates and encourages such diversity. But it makes no difference whether we deplore or welcome regional differentiations. They are here, and even the most determined of economic determinists knows that they must be reckoned with.

The diversity of regions rather enriches the national life than impoverishes it, and their mere existence as regions cannot be said to constitute a problem. Rather in their differences they are a national advantage, offering not only the charm of variety but the interplay of points of view that ought to give flexibility and wisdom. For the United States the ideal condition would be this: that the regions should be free to cultivate their own particular genius and to find their happiness, along with their sustenance and security, in the pursuits to which their people are best adapted, the several regions supplementing and aiding each other, in national comity, under a well-balanced economy.

That has not happened. They have not been good neighbors. They have continually quarrelled. Human nature being what it is, it might be beyond reason to expect otherwise. But, the American political genius being what it has been, we might reasonably expect that some provision should be made for preventing conflict or moderating it when it occurs. No such means has been provided. The Federal Constitution, for reasons obvious to all who have studied it and know its history, not only does not make such provision, but by certain clauses prohibits regional combinations and in general thwarts regional expression.

This no doubt deliberate exclusion of regions from all legal consideration has not, in the long run, resulted in a true Federalism, nor has it even preserved the interest of states. Instead it has brought about regional imperialism. That is, it has encouraged the appropriation of Federal authority by the region

which has had the means to lay hold upon it, and it has reduced the regions (and within them the states) to the position of complaisant accomplices or servile dependents.

There have been various attempts, some successful, some but partially successful, to use the Federal power in this way. The Jacksonian West, under Jackson, Van Buren, and Polk, exercised a form of regional imperialism which the Northeast might well think about, just now. Turner's posthumous book, *The United States, 1830-1850* gives a detailed study of this imperialism. The long quarrel between North and South over the western lands was a struggle of warring imperialisms, each eager to secure — always with due pretense of Federal sanction — the benefits of colonial territory. Of the South it might be said that its imperial designs did not contemplate imposing its peculiar institutions upon the sacred sod of Massachusetts. But the South feared, with justice, that Northern imperialism did most emphatically mean the substitution of a factory system for a plantation system in Virginia. Anticipating that event and finding itself without recourse, since it was outvoted under the Federal system, the South strove for independence.

The South was defeated and was haled back, in the status of a subject province, into the shell of the old Union. In that condition, though with the barren comfort of technical political rights for its states, the South has remained. For from the moment of Southern defeat, the regional imperialism of the Northeast began its effective reign.

In the sixty years from Grant to Hoover the

United States have gone through the formality of sixteen presidential elections. The elected candidates, in the President's chair and in Congress, were supposed to represent the people and to foster the general welfare. In practice, they represented the will of the Northeast and fostered the welfare of the Northeast. The Northeast has ruled, with occasional concessions to its turbulent and increasingly doubtful ally, the West. Through the agency of the Federal mechanism the Northeast has achieved its regional purposes: a high protective tariff; a gold standard; a treasury policy favorable to bankers and investors; a Fourteenth Amendment, "ratified" at the point of the bayonet, to safeguard corporations; an "open door" to its foreign imperialism in the West Indies, Central America, and the Pacific; and above all an "unprotected" area within the boundaries of the United States — "the greatest free trade area in the world" — for its commercial domain.

In these years the Northeast has been the imperial capital region, and the other regions, including even the West, have been the colonial dependencies from which it bought cheap and to which it sold dear, often enough with something added over and above high-tariff prices for interest on Northeastern money loaned to buy Northeastern goods. Grudgingly but wisely, the Northeast has yielded a point or two here and there — less to promote "national interest" than to soothe regional unrest: an Interstate Commerce Commission (which, though helpful to the West, has been notoriously unfavorable to the South); a Federal Income Tax (which Mr. Morgan in later years somehow did not have to pay); and a Federal

Reserve System (which looked pretty bad to Northeastern eyes — for a while). But in the main the Northeast did not yield too much. The fruits of its unyielding domination are there today for anybody to see, in its vast concentration of wealth and population, its splendid metropolitan centers, its universities, foundations, magazines, publishing houses, art galleries, museums, theaters, banks, harbors, its towering buildings envied by all the world, its sense of being well off — of being at the central strategic point.

There are other results of Northeastern imperialism. Although, since sinfulness knows no regions, it does little good now to load American sins upon a regional scapegoat, the fact remains that the Northeast has been the chief agent and the chief sponsor of the large-scale industrialism which we are now put to so much trouble to manage. The Northeast has manipulated the Federal mechanism so as to encourage, as a cardinal objective of national policy, a gross over-emphasis on industrialism and speculative finance, with a corresponding injury and neglect of agriculture and small business, to say nothing of the general injury resulting to manners, morals, and human happiness — in the Northeast as elsewhere. To be altogether fair, we should remember that some far-seeing Northeasterners have protested against this state of affairs — regional dissenters, reflective and doubtful. Nevertheless, if any one region is more guilty than another of having brought about by deliberate policy the crisis of the nineteen-thirties, that region is the Northeast.

At least the outlying regions of the West and South are inclined to draw the indictment thus. The



West has a feeling of having been "played for a sucker". It now begins to see, what the South has long known, that under present arrangements a national policy that means wealth for the Northeast may well mean poverty for the sister regions. Northeastern imperialism somehow draws all to itself, and the crumbs from Dives' table are no longer the surplusage but only the crumbs of a theoretically national feast. The old outcry against Wall Street is an outcry against a regional foe symbolized by a single institution. It means that the towers of New York are built upon Southern and Western backs.

Does the Northeast exclaim in horror at the spectacle of Southern lands eroded and worn-out, at the devilish one-crop system and the tenant system, at the burned and cut-over mountain slopes, the illiterate and diseased population, the fierce despair or the terrifying apathy of large districts, rural and urban? Let him never think that these sins against good order were wilfully committed or arose from human sloth and malignity alone. The ravaged lands of the South are, rather, a mute testimony, indeed a fearful accusation, against a distant tyranny of money — which the South did not have and was forced to try to gain.

The Southern planter or farmer (and not only the Southern one!) gullied and exhausted his lands, sold his timber, held his tenants pinned with a dollar mark, not because he was a limb of Satan but because money had to be forthcoming — and that quickly — for shoes and hats from tariff-protected factories; money for farm machinery, kerosene, gasoline, fertilizer, cooking-stoves, knives, axes, automobiles, all

financed and produced under the imperial scheme; money for mortgages and loans, to placate the sucking tentacle-tip of the money octopus flung far to seize him; money for taxes to run schools on the new model furnished by the Northeast — and, yes, indirectly to swell the endowment of Teachers College of Columbia University and keep its well-marshalled hosts employed; money for more taxes for still more public improvements — new roads, new courthouses (with *steel* filing cabinets), and new bureaus upon bureaus; money for interest on the national debt, covered by bonds gilt-edged, good as gold, offering Hamiltonian conveniences to banks and security-venders; money for the new Northeastern idea of insurance, to hedge him against the liabilities and calamities forced upon him by the system and to bury him when, lifeless, moneyless, and propertyless, he should deliver his soul to his Maker and his body to a mortician who is one of the most valued members of the Chamber of Commerce. For all the while prodigious and faithful though his labor might have been, the money for these things came to him in a niggardly trickle, if at all, but it poured Northeast in flood. The South has learned this lesson well. And now the West may learn it, too — may know that the West goes in overalls that the Northeast may walk in silk and satin.

The colonized regions, thus threatened with exploitation to the point of exhaustion, have tried to meet the danger in two ways. First, they have recapitulated to a certain extent the history of all colonies that begin as dependents furnishing raw materials and wind up with producing establishments

and even financial centers of their own. All the regions have moved toward this kind of self-sufficiency. But they still find themselves paying a good deal of tribute to centralized monopoly, and they also find that this kind of self-sufficiency brings evils of its own. Second, they have made a political fight where they could, especially on such issues as silver, the tariff, currency inflation, and taxation.

Both methods are a kind of civil warfare among regions. Both, as the Northeast well recognizes, are dangerous to Northeastern power. At the moment they seem to be more dangerous than at any time since 1860. The Northeast now faces the ultimate consequences of its imperial exploitation of the "greatest free trade area in the world". Regional imperialism is about to be met by regional imperialism, with the South and West combining against the Northeast and attempting, by the Jacksonian strategy, while holding their own ranks intact, to divide the Northeast against itself so as to annex the "doubtful" states. This is clearly foreshadowed in some measures of the Roosevelt administration: the AAA, the Bankhead Farm Tenant Bill and the cotton-control bill, the banking legislation, the devaluation of the dollar, the SEC, the TVA. The tendency is also indicated in the pressure of "share the wealth" schemes and in the intransigence of the silver and inflation blocs.

If a South-and-West victory should start another cycle of regional imperialism, the results for the Northeast would be severe, but they would represent, in the eyes of the victors, a restoration of justice. The Northeast would be shorn of much of its power — much, but hardly enough, I imagine, to jus-

tify the fear of Christian Gauss of Princeton that Rooseveltian economic nationalism will ruin the great cities of the Eastern seaboard; or to fulfill the prophecy of the Confederate poet, Henry Timrod, who foresaw in 1862 a doom preparing for such cities —

*There, where some rotting ships and crumbling quays  
Shall one day mark the Port which ruled the Western  
seas.*

And, though no man would be so rash as Timrod now, it is not stretching possibility far to view the situation of the Northeast as like that of the South in 1860. Although the Northeast should vote unanimously against the hostile combination, it might still find itself in a minority, able to protest, but otherwise without recourse. If that should happen, will the Northeast sit still and suffer?

But that is precisely the kind of situation that advocates of regionalism are anxious to forestall. The problem lies here. The vicious element is not regionalism but regional imperialism. Regionalists would seek to eliminate the possibility of regional imperialism in any quarter by correcting the form of our governing instruments, so as to adapt them to reality. If regional injustice should occur, they are loath to see the offended region left without recourse. If they can help it, they would not permit what Calhoun called the tyranny of the majority.

It is now in order to review some of the suggestions that have been made for attending to the regional complications of our national situation. These suggestions fall into two main groups: (1) those made by persons who have given up hope of democratic

solutions and are interested in a strictly functional economic and social order; and (2) the suggestions of those who, still believing in the possibilities of democracy, would adapt the present forms of government to regional ends.

The Functionalist would bring all regionalisms rudely to heel with the lash of a dictatorial whip. Inevitably, he is an advocate of a planned economy if not of a planned society, and therefore is strongly socialistic, is likely to be Communist or perhaps Fascist. Always he professes ardent belief in regionalism, but upon examination turns out to be interested only in bringing about a perfectly neat and scientific adaptation of function to environment within a closed and regimented national economy. For the loose political groupings here called regions — more properly called sections by Turner — he has little use, since he often does not know history and never respects it, and has no zest for traditions and cultures with their quite imponderable values. His principle of regional division would work on a basis of pure economic determinism. He would dissolve all old political boundaries, if necessary, to secure efficient production units within areas adapted to management by collectivized agencies — or corporate ones.

Under a Functional regionalism, the growing of cotton would be permitted only in regions like Texas and the Delta of Mississippi, which are suited to mechanical, large-scale cultivation. Vermont farmers might be allowed to continue their production of maple sugar, hay, and milk, but would not be allowed to raise hogs, since Vermont is not a corn region and hogs are most efficiently raised in close proximity to

corn. All cotton mills would be moved South, near the cotton, and all woolen mills would be placed in scientific relation to sheep, say, near Western sheep ranches. Mining regions would mine, but could never raise sheep on the side. Regions would thus specialize far more than they do now, but they would not be at liberty to choose their specialties or to deviate from them. The Planning Commission would regulate all.

Such a regionalism is not American. It belongs to Russia and other home-lands of the totalitarian state. If American institutions should collapse, it might be enforced upon us. Yet even then it could hardly hope to succeed. It contradicts the prime force that has made the regions — their tendency, over and above economic specializations, to become autonomous units possessing whole cultures of their own, which often embody choices not economic at all.

Between the Functionalist kind of regionalism and the Democratic kind which links up with a revived Federalism lies a debatable ground occupied at present by a Rooseveltian experiment: the TVA. The Tennessee Valley adventure in "regional planning" is a strange hybrid creation. Born by Federal enactment and therefore an agent of the Federal government, it is nevertheless a "corporation", operating within a physiographic, "functional" region that overlaps several political and so-called sovereign states; but it is subject to no direction by all or any of those states and is not even hospitable, as its "authority" has made plain, to so much, even, as their influence and friendly interest. The states concerned (that is, nearly all the western South) can exert control only by indirect partisan pressure or through the tedious

roundabout method of Congressional legislation. Under a true Federalism, the TVA would be administered, with the help of Federal appropriations, by the region concerned. It would thus escape the batterings of criticism it now receives from regions less favored by the Federal government and from states which must impotently watch the manipulation of their resources and population by a paternal and "foreign" agency. As it stands, the TVA is an irresponsible projection of a planned, functional society into the midst of one of the most thoroughly democratic parts of the United States. It therefore does not guide us very far in our search for the right kind of regionalism. Like some other devices of the Roosevelt administration, it suggests an unwillingness to discover the foundation upon which building may be permanent. Whether its design represents ignorance of American law, history, and circumstance, combined with wishful yearning toward a planned society, or a deliberate flouting of these things, I do not know. At any rate, it now perverts to some degree by holding out promises that may not be possible of fulfillment.

When we come to democratic suggestions, we see at once that they divide into two groups: those that may be undertaken within the present framework of the Constitution, and those that require amendment or even sweeping revision of the constitutional fabric.

Under the first head come inter-state compacts, of which seventy have already been approved by Congress. Such compacts have been the subject of elaborate study by political scientists. They seem to be useful in special instances, as in the establishment of the Port of New York Authority. They do not help

the general problem of the relation between regions and nation, since they touch only local issues and are likely to be attempted only under specially favorable circumstances.

A realignment or coalescence of states into regional groups seems legally possible under Article IV, Section 3, of the Constitution, which, though negatively worded, allows "states" to be formed "by the junction of two or more States, or parts of States", if their legislatures and Congress consent. Yet such coalescence, even if consented to by legislatures willing to vote themselves out of existence, would be nothing more than the substitution of a larger territorial state for several smaller ones. Unless accompanied by changes in representation to compensate for the loss of power in the Senate, this device would not fit regional needs. Besides, coalescence is unlikely. States have split; they have never joined.

A third possibility is in Federal administration itself. The Federal Reserve System, the decentralization of bureaus, the recent proposal to establish "little capitals" are all of this order. Such steps, though symptomatic of the unwieldiness of our Federal government and its lack of regional foothold, must be put down as largely improvements in the sheer efficiency of the Federal mechanism. They could easily be turned to make centralization more effective than it is. In the hands of regional imperialism they would be powerful weapons.

There remain the suggestions for regional reform which imply constitutional alterations. Here at last we arrive on the ground of a New Federalism. The Old Federalism, with its outright prohibitions against



treaties, alliances, and confederations among the several states, and its rigidity in other respects, neither safeguards us against regional imperialism, nor cherishes regional autonomy, nor allows for any change except it be made by constitutional amendment. No means, therefore, is left but to operate upon the historic document itself.

From many quarters have come suggestions for the establishment of regional governments, either to replace the states as seats of local government or to intervene between the states and the Federal government. Most of the authors of these suggestions, while enthusiastic enough in drawing the outlines of the regional map, are not very specific in indicating how the reform is to be achieved; and, still worse, they generally fail to accompany their studies with any philosophy of the relation between Federalism and regionalism. Since they rarely go beyond suggesting constitutional amendment as the means of reform, they cannot be blamed for a certain vagueness. A constitutional amendment to cover the situation would have to embody details and complications to an extent unknown in our experience. For that reason if for no other it could be drawn up only with the greatest difficulty, and would be ratified with even greater difficulty.

In his recent book, *The Need for Constitutional Reform*, Mr. W. Y. Elliott puts the situation in a very different light. He advocates a system of regional commonwealths to replace the states as members of the Federal organism. His map of regional divisions, while retaining as entities a few states, like New York, that are deemed already regions in themselves, would

otherwise fix upon groups of states that have natural affiliations: New England, the South Atlantic seaboard, the lower Mississippi Valley, the Pacific Coast, and so on — with, it should be noted, a leaning toward small, economically related groupings, rather than toward large sections like the Old South.

These regional commonwealths would have unicameral legislatures of their own. The states within them would drop to the condition of administrative units, remain, like the English counties, "rich depositories of historical associations". Like the provinces of Canada, the regional commonwealths would be charged with the execution of Federal laws. They would be represented in a national House of Representatives on the basis of population.

This precise and statesmanlike outline differs from most other schemes in making the erection of regional commonwealths only one feature, if a necessary and integral feature, of a general process of constitutional reform, the object of which is to secure a genuine Federalism. This reform, undertaken in the spirit of Madison and the Fathers, is to affect all departments. The President is to be made stronger and more responsible, with power to dissolve Congress during his term and make it stand an election. The composition of the Senate is to be changed; some of its power is to be taken away, and it is to be returned to the status originally intended for it, as "a body of elder statesmen", who will revise and supervise, not direct. The power of the Federal Judiciary to control "social policy" will be taken away. The Civil Service will be reorganized along British lines.

Such drastic revisions, of course, would require

nothing less than a constitutional convention. But if Caesarism is to be checked, Mr. Elliott thinks a convention an immediate necessity. The true enemies of the Constitution, he rightly thinks, are its "stand-pat friends". The true friends are those who would save it from destruction by the Caesars or the Lenins by revision before it is too late.

Whatever else may be said of this bold and well-argued proposal, there is no doubt that it quickens our minds, as other schemes do not, with a sense of possible and statesmanlike achievement rather than dulls us with a cynical yielding to the grind of abstract force and blind accident. If the Constitution is to be rewritten, the drafting must be done by men who, like the Fathers of the original Constitution, believe in the power of humanity over circumstance, and can bring to the task of constitution-making something more than the statistical and technical knowledge of the modern expert, and a great deal more than the sleek political knowingness which is the average American politician's substitute for statesmanship. The task requires men who are, as Madison and his colleagues were, at once lawyers, philosophers, students of history, men of letters, and men of the world, and who have the "feel" of the American situation as well as acquaintance with theory. The spirit, if not the letter, of Mr. Elliott's plan would indicate that he is of such a company; and if there are enough determined souls of the same fibre in America, even though they be few in comparison with politicians and lobbyists, they *can* attempt the task of constitution-making, and it is their sacred duty to contend for the privilege and right of doing so.

Nevertheless, attractive as Mr. Elliott's plan is, the description I have given of the course of regional imperialism indicates its defects. As one reads, he suspects that Mr. Elliott is less interested in regionalism *per se* than in remedying weaknesses in the national government. He wants a *strong* national government, provided it is also a responsible one, as the present one is not, and he concedes regional commonwealths as a better basic unit than states. If we can get regional reform in no other way, let it come in Mr. Elliott's way. But under this strong government, however responsible, however more truly Federal, what would prevent the old regional combinations from being made once more? What would forestall a renewed growth of regional imperialism and its use of the Federal power, now made stronger than ever, to handicap or crush a dissenting region, left in a solid minority as the South long has been — as the Northeast may now conceivably be left.

Mr. Elliott's plan offers no safeguard against such an event. He hardly does more than recognize the problem with a single, casual, passing phrase about "sectional compromise". With his eye fearfully alert against possibilities of Caesarism in the form of personal or corporate dictatorship, he still forgets the other possibility — equally ruinous to true Federalism — that a region, behind a Federal mask, may also play the role of Caesar.

If regional commonwealths are to serve as the basis of a new Federalism, then we must provide against that contingency. And if a constitutional convention is in order, then the task of devising the right safeguard would be a very proper task for it to under-

take — perhaps, ultimately, the most important task of all, since on its successful accomplishment might hang the decision as to whether the United States will fly apart in angry contest or be bound under the levelling and militant Caesarism that Mr. Elliott fears or, escaping these disasters, achieve the kind of national union which, if not more perfect, still suits American traditions and realities.

It would be immodest for a layman to make the positive suggestions that ought to come from the trained student of government. The layman cannot do much more than show what is to be safeguarded, and against what.

The regions need a safeguard against imperialism at two points: first in their economic pursuits, since on these they depend for the security which, in Mr. Elliott's opinion, Americans now desire more passionately than equality; and second, in their cultural and social institutions, which, in the South especially, have suffered from outside domination.

The "greatest free trade area in the world" needs not only to be "decentralized" (for decentralization alone is not enough) but also subdivided in the interest of regional reciprocity. There must be boundaries which the exploiting agents will pass only under difficulty and not without penalty if they come on missions of exploitation. Under the letter of the present Federal law no discrimination is supposed to occur; but the existence of regions with diverse cultures actually gives full legal standing to the enormous advantage, amounting to a right of conquest, which an imperializing region holds over the others. We need a lawful means of abolishing this covert discrimina-

tion. Perhaps it can be devised only by making it lawful for regions openly to discriminate where just cause appears. To distribute a Federal bounty, subtracted from prosperous regions for the benefit of the disadvantaged, is probably not a fair, adequate, or permanently workable method. The suggestion of Mr. Frank L. Owsley, in "The Pillars of Agrarianism",\* that "the several regions should have an equal share in the making of the tariff, which would be in the form of a treaty or agreement between all the sections, somewhat in the fashion of the late Austro-Hungarian tariff treaties" represents the kind of privilege that the regions desperately need. More than that, it comes closer than any other suggestion I have seen to indicating the structural principle of a really national policy in such matters as the tariff.

Mr. Owsley does not ask for "inter-regional tariffs", except in the sense that, "if the South should have a lower tariff than the other regions, goods imported through the South would have to pay an extra duty on entering the other regions operating under the treaty".

But what if more safeguard is needed? The means of full protection lies perhaps — the layman can venture only a *perhaps* — in giving the regional commonwealths power to tax the agencies that would despoil them. Power to tax or at least to regulate "foreign" capital and enterprises that attempt national monopoly; power, it may be, to control to some degree credit and even money; power to safeguard educational systems against the rule of external interests and of propaganda aimed at the very life of regional cul-

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tures; power for the South to preserve its bi-racial social system without the furtive evasion or raw violence to which it is now driven when sniped at with weapons of Federal legality; power for the Far West and the Southwest to do likewise with their own race problems; power for the Middle West and the Deep South to curtail or prevent the absentee ownership of their farm lands by Wall Street speculators or by their own expatriates, retired to the luxury of Pasadena and Los Angeles; and power for the Northeast, if it so wishes, to protect its union labor against Southern cheap labor. For there must be full reciprocity, and powers allowed to one region must be allowed to all. *That* point must be clear. The man is no patriot who would regard such measures as retaliatory — who would want to see the Northeast crushed and penalized, like the South seventy years ago, and left an impotent and uncontributing part of the nation. In the attempt to right the balance we should not end by upsetting it, and, recalling Burke's great saying about not drawing an indictment against a whole people, we should remember gallantries and beneficences as well as errors. Yet the Northeast should do well to realize that there are people with a burning sense of wrong who wish retaliation, and would inflict it if the turn of events under the Old Federalism should permit — yes, and would cheerfully take the risk of any injurious recoil upon themselves.

If power to tax and regulate is too dangerous a power for regional governments to possess, then what other measure, guaranteed not to do harm, is available? Shall the regional commonwealths be given a

veto power in certain instances, some modern equivalent of Calhoun's principle of nullification? That is worth considering. But at any rate, devices and powers of the kind enumerated, added to the New Federalism described by Mr. Elliott, would give our political institutions an organic relation to our national life. Yet who, whether layman or expert, seeing how event follows upon event, upsetting calculation, will refuse to admit that his gravest calculations will not look ridiculous next month, or next year? Knowing this, the provident calculator must label his suggestion as the railroad labels its train schedules: *Subject to change without notice!*

But though the suggestion may change, the analysis of the situation will not change very soon, for the conditions described are too deeply rooted in American life to be altered with every passing circumstance. And the suggestions given, though speculative as to details, are firm enough in purpose and certain enough in direction to mark a road of exploration.

Beyond all early prospect of change, too, is a principle which may well have the final place in this discussion. If followed out in American life, it would of itself eliminate much of the necessity for new mechanisms of government. It has two parts, which might be thus stated: first, it is the nature of industrial enterprise, corporate monopoly, and high finance to devour, to exploit, to imperialize; and a region which specializes in these functions is by that fact driven to engage in imperial conquest of one sort or another; second, it is the nature of small business, well-distributed property, and an agrarian regime to stay at home and be content with modest returns. The region



that specializes in these things, or that balances them with its industry in fair proportions, is a good neighbor, not desiring conquest. Whatever restores small property, fosters agrarianism, and curtails exaggerated industrialism is on the side of regional autonomy. If we had a fair balance of this sort in America, it is possible that the Old Federalism, with very small changes, would suffice our modern purposes.

But, so firmly intrenched is the ancient enemy of all good balance, it is possible that regionalism must be called in as one of the means of dislodging him. If a given region is too hard pressed, if it is denied recourse, if it is irritated by an assumption of superior piety, then regionalists will think of the old watchword, independence. Independence, signifying as it does the end of colonialism, is a sacred word in American history. Among other things, it means that the land and the region belong to the people who dwell there, and that they will be governed only by their own consent.